

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

| Representativ | es Present During the Inspection: |
|---------------|---------------------------------------------|
| Company | Rusty Netz Environmental Coordinator |
| OSM | Henry Austin |
| OGM | Karl Houskeeper Environmental Scientist III |

Inspection Report

| Permit Number: | C0070042 | | |
|------------------|------------------------------|--|--|
| Inspection Type: | COMPLETE OVERSITE | | |
| Inspection Date: | Wednesday, December 06, 2006 | | |
| Start Date/Time: | 12/6/2006 8:30:00 AM | | |
| End Date/Time: | 12/6/2006 12:00:00 PM | | |
| Last Inspection: | Tuesday, November 14, 2006 | | |

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: <u>Clear, Temp. 20 Deg. F.</u> InspectionID Report Number: <u>1152</u>

Accepted by: pgrubaug (

12/20/2006

Permitee: SUNNYSIDE COGENERATION ASSOCIATES
Operator: SUNNYSIDE COGENERATION ASSOCIATES

Site: STAR POINT REFUSE

Address: ONE POWER PLANT RD, PO BOX 159 SUNNYSIDE UT 84539

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

| Current | Acre | aa | es |
|---------|------|----|----|
|---------|------|----|----|

| Total Permitted | 152.81 |
|------------------------|--------|
| Total Disturbed | 88.78 |
| Phase I | |
| Phase II | |
| Phase III | |

| | Mineral | Ownership | p T | ypes of | Operations |
|--|---------|-----------|-----|---------|-------------------|
|--|---------|-----------|-----|---------|-------------------|

| ☐ Federal | Underground |
|--------------|----------------|
| ☐ State | Surface |
| ☐ County | ☐ Loadout |
| ✓ Fee | Processing |
| Other | ✓ Reprocessing |

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Pending actions: Task ID #2620 Midterm Permit Review.

Inspector's Signature:

Harl Houskupe,

Date Wednesday, December 06, 2006

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Inspection Continuation Sheet

Permit Number: C0070042

Inspection Type: COMPLETE OVERSITE

Inspection Date: Wednesday, December 06, 2006

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
 Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcemen |
|------|---------------------------------------------------------------|--------------|----------------|----------|------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | \checkmark | | ~ | |
| 2. | Signs and Markers | ✓ | | ✓ | ✓ |
| 3. | Topsoil | ✓ | | | |
| 4.a | Hydrologic Balance: Diversions | ✓ | | | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | V | | ✓ | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | ✓ | | | |
| 4.d | Hydrologic Balance: Water Monitoring | ✓ | | | |
| 4.e | Hydrologic Balance: Effluent Limitations | ✓ | | V | |
| 5. | Explosives | ✓ | ✓ | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | V | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | ✓ | | ✓ | |
| 8. | Noncoal Waste | V | | | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | V | | | |
| 10. | Slides and Other Damage | ✓ | | | |
| 11. | Contemporaneous Reclamation | V | | | |
| 12. | Backfilling And Grading | V | | | |
| 13. | Revegetation | ✓ | | | |
| 14. | Subsidence Control | V | | | |
| 15. | Cessation of Operations | ✓ | | | |
| 16.a | Roads: Construction, Maintenance, Surfacing | ✓ | | | |
| 16.b | Roads: Drainage Controls | ✓ | | | |
| 17. | Other Transportation Facilities | ✓ | | | |
| 18. | Support Facilities, Utility Installations | ✓ | | | |
| 19. | AVS Check | ✓ | | | |
| 20. | Air Quality Permit | V | | V | |
| 21. | Bonding and Insurance | ✓ | | V | |
| 22. | Other | | | | |

Permit Number: C0070042

Inspection Type: COMPLETE OVERSITE

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1. Permits, Change, Transfer, Renewal, Sale

Pending actions: Task ID #2620 Midterm Permit Review.

The following permits were reviewed:

- -Mining permit C/007/042 issued November 14, 2003 and expires November 14, 2008.
- -UPDES permit #UTG040025 effective May 1, 2003 and expires midnight April 30, 2008 (under general permit UTG040000).
- -Air Quality Permit DAQE-239-02 issued April 1, 2002, remains in effect.
- -SPCC plan is not required.
- -Certificate of Insurance effective 08/01/2006 and terminates 08/01/2007.
- -Reclamation agreement is dated October 14, 2003 and signed by both parties.
- -Storm Water Permit UTR000604, effective 08/29/02 and expires @ midnight 12/31/06 (under general permit UTR000000).

2. Signs and Markers

The mine ID signs are located at the contact points of the public road to the permit area and contains all of the appropriate information. All other signs and markers observed during the inspection were in compliance with the approved MRP.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected on September 19, 2006 and are included in a report dated October 11, 2006. The report was P.E. certified, dated, and stamped. No problems were noted.

4.e Hydrologic Balance: Effluent Limitations

The October 2006 discharge monitoring reports were reviewed. No discharge occurred from any of the outfalls.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was inspected on September 19, 2006 and was included in a report dated October 11, 2006. The report was P.E. dated, stamped, and signed by a registered P.E. in the State of Utah.

20. Air Quality Permit

The air quality permit DAQE-239-02 was issued on April 1, 2002 and remains in effect.

21. Bonding and Insurance

The bond is a collateral bond in the amount of \$1,254,000.